

JAN - 7 2004

#### 4. Schools and Libraries Support

Federal Communications Commission  
Office of the Secretary

Eligible schools, school districts, libraries, and consortia that include eligible schools and libraries, may receive discounts for eligible telecommunications services, Internet access, and internal connections under the schools and libraries universal service support mechanism. The discounts range from 20 percent to 90 percent. The level of the discount is based on the percentage of students in the school or school district that are eligible for the national school lunch program (or a federally-approved alternative mechanism), and location in a rural area. By Commission rule, the Schools and Libraries mechanism was capped at \$2.25 billion annually.<sup>1</sup>

In order to receive discounts on eligible services, the Commission's rules require that the school, library, or consortium leader submit to the Administrator a completed FCC Form 470, in which the applicant sets forth its technological needs and the services for which it seeks discounts. This submission initiates the required competitive bidding process. Generally, the FCC Forms 470 are posted on the USAC Schools and Libraries Division (SLD) website for at least 28 days so that providers have an opportunity to submit competing bids to perform the services.<sup>2</sup> After the eligible applicant has complied with the Commission's competitive bidding requirements and contracted for eligible services, it must file FCC Form 471 to request discounts for services that have been ordered.

The Administrator reviews the FCC Forms 471 that it receives and issues funding commitment decisions indicating discounts that the applicant may receive in accordance with the Commission's rules. Subsequently, the applicant either: (1) pays the after-discount portion of the service cost to the service provider, which, in turn, seeks reimbursement from the Administrator for the discounted amount, or (2) pays the entire bill (the pre-discounted amount) to the service provider, and seeks reimbursement from the Administrator for the discounted amount. In the latter instance, the Administrator disburses the money to the service provider who, in turn, reimburses the applicant.

The Administrator acts on these requests pursuant to established procedures in accordance with Commission rules and decisions. If the Administrator denies a request for funding, the applicant may either appeal directly to the Commission, or appeal to the Administrator. If rejected on appeal by the Administrator, the applicant may appeal to the Commission. Since inception, the program has experienced a tremendous expansion of both the number of applicants and recipients, and the number of appeals regarding decisions and procedures.

Frequently, the total amount of funding requested exceeds the \$2.25 billion cap. Under the Commission's rules of priority, when the filing window closes, the Administrator will calculate total requests for support submitted during that filing window. If total requests exceed total support

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1 47 C.F.R. §54.507(a).

2 The posted forms can be viewed at [www.sl.universalservice.org](http://www.sl.universalservice.org).

available in that funding year, SLD will: (1) calculate the requests for telecommunications services and Internet access for all discount categories (these services receive first priority for funding), (2) allocate the remaining funds to the requests for support for internal connections, beginning with the most disadvantaged schools and libraries (those eligible for a 90 percent discount), and (3) commit remaining funds for internal connections to the applicants at each descending discount level until there are no funds remaining (i.e. 89%, 88%, etc).

If the remaining funds are not sufficient to support all of the eligible discount requests within a particular discount level, the Administrator will divide the total amount of remaining support available by the amount of support requested within that discount level to produce a pro-rata factor. That is, each of the schools and libraries within that discount level will receive the same proportion of the support they requested.

For Funding Year 2000 (July 1, 2000 – June 30, 2001), USAC reports that it has committed \$2.084 billion, and disbursed \$1.634 billion as of May 29, 2003.<sup>3</sup> USAC reported that only one Funding Year 2000 application remained in the review process and was on hold for program integrity reasons.<sup>4</sup>

USAC reported that for Funding Year 2001 (July 1, 2001 – June 30, 2002), only 241 Forms 471 remained to be processed. Of those, five are under review, and the remainder are on hold for investigation of possible program rule violations.<sup>5</sup> As of May 29, 2003, USAC had committed \$2.208 billion and disbursed over \$1.555 billion of Funding Year 2001 funds.<sup>6</sup>

For Funding Year 2002 (July 1, 2002 – June 30, 2003), USAC reports that 34,981 electronic and paper FCC Forms 471 had been received within the filing window and were not subsequently cancelled. Of those, 32,315 had received at least one funding commitment letter. The remaining 2,666 applications represent potentially fundable applications. USAC also reports that it informed 1,384 that their funding commitment letters would be delayed pending further review and investigation, including site visits in some cases, because of concerns regarding certain aspects of their applications.<sup>7</sup> As of May 29, 2003, USAC had committed \$2.182 billion, and disbursed over

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3 See Tables 4.1 and 4.2 for details.

4 Universal Service Administrative Company, *Federal Universal Service Support Mechanisms Fund Size Projections for the Third Quarter 2003*, at 26.

5 Universal Service Administrative Company, *Federal Universal Service Support Mechanisms Fund Size Projections for the Third Quarter 2003*, at 26.

6 See Tables 4.1 and 4.2 for details.

7 Universal Service Administrative Company, *Federal Universal Service Support Mechanisms Fund Size Projections for the Third Quarter 2003*, at 27.

**Table 4.1**  
**Schools and Libraries Funding Commitments and Disbursements by State and by Type of Applicant**  
**Funding Year 2001: July 1, 2001 through June 30, 2002**

State/territory	Library/Library Consortium		Schools		School Districts		Other Consortium		Totals	
	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed
Alabama	\$679,279	\$549,084	\$1,471,637	\$1,148,065	\$1,284,243	\$13,480,559	\$637,390	\$637,390	\$22,082,549	\$15,815,098
Alaska	144,110	95,665	122,614	65,584	10,779,436	9,177,499	110,334	80,879	11,156,494	9,419,627
American Samoa	0	0	0	0	0	0	2,124,079	1,938,161	2,124,079	1,938,161
Arizona	446,200	332,488	18,920,562	11,414,325	40,429,581	28,341,792	779,496	408,092	60,575,838	40,496,696
Arkansas	77,230	58,426	329,475	201,717	14,969,372	7,698,524	5,671,205	4,185,615	21,047,283	12,144,282
California	3,309,197	1,641,594	12,565,569	8,066,261	319,880,604	181,753,604	1,950,078	1,513,543	337,705,448	192,975,002
Colorado	475,626	321,514	505,368	248,553	12,353,612	10,170,418	3,362,089	1,177,813	16,696,696	11,918,299
Connecticut	411,728	300,947	2,290,407	1,623,438	13,678,826	13,056,986	1,337,243	1,247,534	17,718,203	16,228,904
Delaware	40,819	40,254	163,588	141,499	810,032	712,030	765,066	58,229	1,779,504	952,011
District of Columbia	0	0	1,421,346	906,986	4,299,149	0	1,646,900	1,591,224	7,367,394	2,498,210
Florida	2,246,748	1,934,893	2,288,312	1,032,339	45,230,352	37,419,608	6,153,315	3,766,732	55,918,727	44,153,571
Georgia	5,421,772	4,864,138	469,884	337,776	56,039,043	38,660,829	10,552,977	7,517,161	72,483,675	51,379,904
Guam	0	0	13,431	11,867	2,488,761	1,896,828	0	0	2,502,191	1,908,695
Hawaii	185,011	53,526	1,910,776	473,877	801,052	714,615	0	0	2,896,839	1,242,017
Idaho	123,528	76,608	1,082,999	684,443	3,101,073	2,174,500	76,962	53,653	4,384,562	2,989,204
Illinois	1,403,268	1,004,043	5,995,494	4,519,481	62,554,306	28,454,906	6,613,791	701,661	76,566,859	34,680,090
Indiana	676,249	512,520	690,697	428,129	11,477,198	7,820,247	9,437,313	5,353,715	22,281,456	14,114,612
Iowa	493,705	257,942	821,210	536,122	6,207,694	3,684,936	284,064	147,713	7,806,673	4,626,713
Kansas	340,708	231,674	582,701	427,124	9,833,053	6,508,985	179,868	158,616	10,936,331	7,326,399
Kentucky	829,185	582,960	579,713	357,183	19,202,472	13,340,149	1,657,892	1,653,127	22,269,263	15,933,419
Louisiana	1,410,539	1,324,313	1,689,000	1,055,043	24,979,960	21,319,249	0	0	28,079,499	23,698,604
Maine	87,967	52,294	1,515,901	928,533	2,119,679	1,298,037	2,674,595	2,275,364	6,398,142	4,554,228
Maryland	704,746	495,078	2,248,776	1,708,602	12,120,755	8,057,638	224,015	213,629	15,298,291	10,474,948
Massachusetts	4,140,858	3,343,103	3,089,094	1,494,590	24,844,202	19,756,436	11,569,527	1,113,741	43,643,681	25,707,869
Michigan	1,542,643	1,196,482	2,433,183	1,490,714	66,976,122	49,379,266	4,445,993	2,932,722	75,397,940	54,999,183
Minnesota	1,612,326	736,882	1,754,189	1,104,492	11,788,764	8,512,808	7,366,810	5,336,376	22,522,088	15,690,558
Mississippi	916,314	752,633	913,905	433,809	27,263,801	21,003,002	5,124,344	3,629,716	34,218,363	25,819,160
Missouri	400,397	373,273	5,829,112	5,567,026	13,088,667	6,478,027	14,904,717	9,175,944	34,222,893	21,594,269
Montana	138,527	75,280	342,411	196,063	3,223,604	2,688,399	33,863	28,367	3,738,405	2,988,109
Nebraska	208,390	179,997	368,790	254,410	3,585,424	2,909,063	2,042,545	1,756,581	6,205,148	5,100,051
Nevada	96,883	52,885	4,114	2,077	3,545,429	2,673,711	0	0	3,646,426	2,728,672
New Hampshire	47,453	17,534	284,012	156,431	865,639	600,703	52,383	35,168	1,249,487	809,836
New Jersey	1,044,383	736,457	8,854,187	7,264,309	42,293,267	27,034,727	172,412	151,342	52,364,249	35,186,834
New Mexico	173,980	76,344	7,282,861	5,588,108	50,284,795	37,052,661	123,636	90,280	57,865,272	42,807,393
New York	14,620,031	10,163,146	30,705,833	22,229,278	287,281,796	255,539,797	29,682,790	16,625,752	362,290,450	304,557,972
North Carolina	1,284,304	1,006,529	2,381,149	1,252,790	20,052,274	15,997,141	1,483,183	1,422,637	25,200,911	19,679,097
North Dakota	8,176	6,468	329,515	184,742	938,447	563,676	471,771	421,836	1,747,908	1,176,721
Northern Mariana Is	0	0	2,037	0	2,351,309	2,101,798	0	0	2,353,346	2,101,798
Ohio	1,316,745	969,395	2,637,585	1,756,271	89,361,111	51,061,252	7,408,521	6,109,026	100,723,962	59,895,945
Oklahoma	802,280	603,346	2,228,684	2,058,812	25,454,558	20,237,674	1,126,224	254,018	29,611,745	23,153,850
Oregon	442,540	273,089	659,251	467,758	9,492,177	6,613,314	3,076,294	1,411,911	13,670,263	8,766,073
Pennsylvania	1,374,210	942,609	7,654,311	5,124,103	61,043,102	53,048,182	2,494,675	2,088,425	72,566,298	61,203,320
Puerto Rico	0	0	11,836,180	3,601,807	207,785	131,560	0	0	12,043,965	3,733,367
Rhode Island	90,361	71,267	154,242	113,949	2,040,267	1,691,685	2,772,674	2,411,522	5,057,544	4,288,423
South Carolina	267,952	227,643	2,193,072	1,675,543	30,682,356	20,291,351	10,568,702	7,381,709	43,712,082	29,576,246
South Dakota	11,823	7,639	506,856	395,503	1,304,209	942,671	6,212,034	3,846,287	8,034,923	5,192,099
Tennessee	1,001,068	475,344	740,708	518,306	27,783,194	19,116,520	15,231,583	13,149,734	44,756,553	33,259,904
Texas	2,997,514	1,870,468	10,735,820	9,090,784	208,352,961	160,592,850	14,757,564	8,185,038	236,843,859	179,739,140
Utah	28,371	14,498	46,211	22,953	3,550,655	2,646,473	2,031,873	1,894,943	5,657,109	4,578,867
Vermont	96,596	44,914	745,227	444,734	754,688	545,958	100,571	85,529	1,697,082	1,121,135
Virgin Islands	0	0	79,787	13,669	5,298,403	5,298,403	0	0	5,378,190	5,312,072
Virginia	1,173,632	868,456	2,488,527	2,069,658	16,798,184	13,663,640	958,046	741,787	21,418,389	17,343,541
Washington	1,390,787	1,073,010	1,986,867	1,699,366	11,112,657	7,678,752	3,934,819	3,044,146	18,425,130	13,495,274
West Virginia	169,389	117,470	326,731	147,357	5,816,762	3,746,881	1,798,782	865,990	8,111,663	4,877,698
Wisconsin	766,101	544,751	4,360,621	2,722,667	14,336,060	7,907,130	6,021,129	5,319,347	25,483,910	16,493,894
Wyoming	47,336	28,586	197,061	139,644	603,815	393,260	791,713	620,672	1,639,925	1,182,161
<b>Totals</b>	<b>\$57,718,984</b>	<b>\$41,579,456</b>	<b>\$171,831,590</b>	<b>\$115,598,667</b>	<b>\$1,765,026,736</b>	<b>\$1,263,640,708</b>	<b>\$212,997,848</b>	<b>\$134,810,395</b>	<b>\$2,207,575,158</b>	<b>\$1,555,629,227</b>

Source: Raw data provided by the Universal Service Administrative Company, rollups performed by Industry Analysis and Technology Division, Wireline Competition Bureau, FCC  
 Activity through May 29, 2003. Because of the appeals process, funding commitments and disbursements have been made after the end of the program year. Also, disbursements may continue beyond the end of the program year in the event of delayed internal connections installation.

**Table 4.1**  
**Schools and Libraries Funding Commitments and Disbursements by State and by Type of Applicant**  
**Funding Year 2000: July 1, 2000 through June 30, 2001**

State/Territory	Library/Library Consortium		Schools		School Districts		Other Consortium		Totals	
	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed
Alabama	\$639,603	\$531,985	\$1,406,594	\$1,024,371	\$1,000,448	\$15,036,405	\$559,052	\$546,788	\$21,208,697	\$17,139,549
Alaska	109,030	70,274	74,992	42,554	11,660,192	8,869,019	642,512	489,363	12,486,725	9,471,210
American Samoa	0	0	0	0	0	0	2,070,977	2,043,145	2,070,977	2,043,145
Arizona	512,426	425,444	7,105,442	5,281,846	39,253,030	32,657,602	365,505	254,846	47,236,402	38,619,739
Arkansas	59,538	46,614	254,277	182,367	11,691,499	9,451,115	5,067,181	2,627,629	17,072,496	12,307,725
California	3,080,916	1,859,583	15,775,918	13,146,059	404,710,689	356,104,536	2,468,502	1,405,422	426,036,025	372,515,600
Colorado	784,870	465,321	388,711	230,639	9,058,912	6,597,143	4,235,955	2,156,513	14,468,448	9,449,617
Connecticut	297,929	239,447	3,270,816	3,022,645	12,897,509	11,949,545	7,692,761	7,226,154	24,159,015	22,437,791
Delaware	54,303	41,558	115,729	64,773	838,551	659,819	626,556	567,036	1,635,138	1,333,187
Dist of Columbia	57,190	0	444,598	731,392	1,934,537	1,933,211	3,806,421	3,421,355	6,242,745	6,085,958
Florida	3,020,588	2,086,205	1,582,144	1,180,743	46,782,028	31,941,722	7,108,285	3,239,403	58,493,046	38,448,072
Georgia	5,293,855	4,592,439	188,442	151,801	41,607,064	32,665,113	3,794,964	2,821,392	50,884,326	40,230,744
Guam	62,242	0	26,308	4,222	900,798	609,278	0	0	989,348	613,500
Hawaii	115,716	19,869	1,727,579	528,116	751,234	652,068	0	0	2,594,529	1,200,053
Idaho	88,460	53,157	153,056	110,321	2,607,227	1,888,970	57,390	43,548	2,906,133	2,095,995
Illinois	1,874,135	1,263,929	4,909,522	2,491,294	107,448,892	93,313,395	2,453,835	1,099,405	116,686,385	98,168,023
Indiana	784,881	563,847	901,548	789,525	9,918,264	6,390,748	9,208,063	4,129,783	20,812,755	11,873,904
Iowa	267,965	183,341	307,955	233,060	4,619,916	3,398,985	153,543	63,519	5,349,379	3,878,905
Kansas	351,986	248,163	343,067	428,422	7,666,601	4,825,583	370,954	198,058	8,732,607	5,700,226
Kentucky	838,154	542,347	117,686	38,170	23,621,374	16,306,754	1,960,831	1,571,567	26,538,045	18,458,839
Louisiana	1,303,506	1,215,455	1,137,006	672,800	20,573,172	17,655,183	0	0	23,013,685	19,543,438
Maine	84,981	52,967	695,596	429,653	2,618,593	1,596,090	62,880	22,975	3,462,050	2,101,685
Maryland	1,021,205	708,398	1,273,075	809,492	14,269,573	12,115,753	2,460,827	2,440,465	19,024,680	16,074,109
Massachusetts	2,777,826	2,197,885	2,315,995	1,627,361	29,482,565	24,455,011	12,152,153	2,860,793	46,728,539	31,141,050
Michigan	1,522,974	1,140,129	1,855,484	1,088,047	46,234,307	36,583,108	3,944,611	2,753,653	53,557,376	41,564,937
Minnesota	204,933	185,820	513,350	293,098	9,169,294	6,349,216	7,666,349	5,574,932	17,553,926	12,403,066
Mississippi	965,900	757,026	839,376	490,808	22,403,662	16,069,980	5,869,646	3,265,841	30,078,584	20,583,654
Missouri	577,725	218,408	845,256	467,325	57,784,840	53,207,378	13,402,320	8,097,712	72,610,141	61,990,823
Montana	134,301	88,664	133,818	90,995	2,875,695	2,349,529	26,549	20,711	3,170,362	2,549,899
Nebraska	202,770	150,780	266,901	200,175	4,108,012	2,697,488	1,809,096	1,627,109	6,386,779	4,675,552
Nevada	64,782	5,501	0	0	3,847,701	2,752,183	0	0	3,912,483	2,757,684
New Hampshire	62,552	30,597	296,695	198,682	872,441	455,697	18,441	16,572	1,250,128	701,547
New Jersey	1,018,253	592,568	5,080,565	3,493,744	36,340,846	25,603,438	169,455	123,421	42,609,118	29,813,170
New Mexico	418,891	351,384	1,784,816	1,404,935	16,646,845	11,080,101	166,056	120,374	19,016,608	12,956,793
New York	15,459,184	9,640,569	35,741,335	26,943,703	198,064,771	169,605,838	31,643,010	19,499,876	280,908,301	225,689,986
North Carolina	1,795,324	1,273,264	2,244,101	1,972,825	21,541,399	17,987,424	2,870,551	1,975,645	28,451,374	23,209,159
North Dakota	14,517	10,430	376,460	323,620	902,989	624,750	457,303	411,068	1,751,269	1,369,869
Northern Mariana Is	0	0	0	0	498,872	301,878	0	0	498,872	301,878
Ohio	1,464,087	1,014,000	605,014	272,351	49,841,689	42,063,733	8,291,501	6,143,162	60,202,291	49,493,247
Oklahoma	761,996	488,534	1,262,836	1,008,370	25,271,963	18,268,342	1,413,648	837,495	28,710,442	20,602,740
Oregon	479,789	132,089	791,157	607,916	8,192,494	5,535,665	1,397,409	460,255	10,860,849	6,735,925
Pennsylvania	1,426,469	1,124,842	3,683,949	2,184,023	46,112,840	37,501,837	2,834,494	2,041,389	54,057,752	42,852,091
Puerto Rico	4,459,052	1,804,329	6,642,878	3,269,616	55,605,088	45,956,694	10,049,347	1,220,584	76,756,365	52,251,223
Rhode Island	71,394	59,583	152,834	93,536	1,848,231	1,280,942	2,616,667	1,990,782	4,689,127	3,424,844
South Carolina	113,028	83,298	1,355,286	1,149,313	39,156,571	33,527,825	11,423,125	6,029,455	52,048,009	40,789,891
South Dakota	10,568	6,844	258,512	201,912	1,082,332	654,861	599,949	225,729	1,951,361	1,089,347
Tennessee	1,129,719	472,974	399,656	231,490	33,415,632	15,783,815	11,515,588	11,410,301	46,460,595	27,898,579
Texas	5,626,498	3,599,257	1,929,454	1,455,919	135,811,978	97,306,507	7,883,726	5,552,503	151,251,657	107,914,186
Utah	173,481	90,044	49,857	23,962	2,742,892	2,342,315	2,085,763	1,612,182	5,051,993	4,068,502
Vermont	81,263	38,498	743,383	424,181	717,904	553,544	149,642	97,773	1,692,192	1,113,995
Virgin Islands	79,100	14,472	755,849	668,833	0	0	0	0	834,949	683,306
Virginia	1,274,394	799,175	589,905	429,314	15,955,193	13,114,720	992,641	812,933	18,812,132	15,156,142
Washington	1,361,800	856,162	458,466	284,254	12,344,069	9,231,736	4,371,171	3,593,560	18,535,506	13,965,712
West Virginia	167,617	111,355	196,924	107,404	3,712,763	2,315,890	1,569,032	1,073,929	5,646,336	3,608,578
Wisconsin	1,381,514	1,138,646	4,339,643	4,665,437	14,156,889	10,402,847	5,108,238	4,382,815	24,986,284	20,589,744
Wyoming	58,434	40,132	284,610	192,311	602,136	552,057	181,177	169,874	1,126,356	954,374
<b>Totals</b>	<b>\$66,043,611</b>	<b>\$43,727,604</b>	<b>\$118,994,422</b>	<b>\$87,459,726</b>	<b>\$1,691,378,005</b>	<b>\$1,373,134,385</b>	<b>\$207,845,650</b>	<b>\$130,370,790</b>	<b>\$2,084,261,688</b>	<b>\$1,634,692,505</b>

Source: Raw data provided by the Universal Service Administrative Company, rollups performed by Industry Analysis and Technology Division, Wireline Competition Bureau, FCC Activity through May 29, 2003. Because of the appeals process, funding commitments and disbursements have been made after the end of the program year. Also, disbursements may continue beyond the end of the program year in the event of delayed internal connections installation.

**Table 4.2**  
**Schools and Libraries Funding Commitments and Disbursements by State and by Type of Service**  
**Funding Year 2000: July 1, 2000 through June 30, 2001**

State/territory	Internal Connections		Internet Access		Telecommunications		Totals	
	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed
Alabama	\$6,866,772	\$6,250,852	\$4,993,268	\$4,184,699	\$9,348,657	\$6,703,999	\$21,208,697	\$17,139,549
Alaska	1,605,232	1,186,596	6,624,809	5,520,143	4,256,683	2,764,472	12,486,725	9,471,210
American Samoa	554,452	554,452	1,073,639	1,058,519	442,886	430,174	2,070,977	2,043,145
Arizona	34,583,387	30,692,343	2,410,688	1,556,782	10,242,327	6,370,614	47,236,402	38,619,739
Arkansas	7,950,946	7,111,769	4,214,521	2,305,783	4,907,029	2,890,173	17,072,496	12,307,725
California	353,260,676	331,015,895	7,569,706	3,913,983	65,205,643	37,585,722	426,036,025	372,515,600
Colorado	2,117,962	1,637,995	989,949	526,752	11,360,538	7,284,869	14,468,448	9,449,617
Connecticut	15,119,612	14,929,695	2,532,997	2,087,650	6,506,406	5,420,446	24,159,015	22,437,791
Delaware	9,285	0	69,838	53,168	1,556,015	1,280,018	1,635,138	1,333,187
District of Columbia	1,838,834	2,273,146	2,143,874	1,696,319	2,260,038	2,116,492	6,242,745	6,085,958
Florida	13,541,787	6,820,305	9,015,172	4,881,681	35,936,087	26,746,086	58,493,046	38,448,072
Georgia	16,310,332	15,368,716	9,922,580	7,886,369	24,651,413	16,975,660	50,884,326	40,230,744
Guam	112,774	112,774	396,376	92,020	480,198	408,706	989,348	613,500
Hawaii	344,028	190,622	325,064	250,515	1,925,436	758,916	2,594,529	1,200,053
Idaho	137,548	121,335	599,203	421,143	2,169,382	1,553,517	2,906,133	2,095,995
Illinois	86,309,054	77,192,674	3,918,741	2,642,229	26,458,590	18,333,120	116,686,385	98,168,023
Indiana	1,675,182	1,669,406	10,587,686	4,920,308	8,549,887	5,284,189	20,812,755	11,873,904
Iowa	214,032	93,740	1,515,328	1,147,411	3,620,019	2,637,754	5,349,379	3,878,905
Kansas	215,740	382,659	1,987,927	1,295,649	6,528,940	4,021,919	8,732,607	5,700,226
Kentucky	10,305,274	7,516,772	1,459,360	1,004,868	14,773,410	9,937,200	26,538,045	18,458,839
Louisiana	8,610,657	7,892,096	3,898,992	3,820,069	10,504,035	7,831,274	23,013,685	19,543,438
Maine	274,386	274,386	211,056	181,410	2,976,608	1,645,889	3,462,050	2,101,685
Maryland	7,760,539	6,425,066	1,479,036	1,028,186	9,785,105	8,620,857	19,024,680	16,074,109
Massachusetts	20,788,838	19,272,288	12,442,507	2,816,499	13,497,194	9,052,263	46,728,539	31,141,050
Michigan	20,475,062	20,104,331	5,465,931	3,719,207	27,616,382	17,741,399	53,557,376	41,564,937
Minnesota	737,942	604,517	2,297,513	1,454,201	14,518,471	10,344,348	17,553,926	12,403,066
Mississippi	10,440,614	8,374,114	2,062,776	1,271,247	17,575,194	10,938,294	30,078,584	20,583,654
Missouri	49,740,568	48,615,610	5,367,530	3,845,478	17,502,043	9,529,735	72,610,141	61,990,823
Montana	437,363	373,142	789,286	549,627	1,943,713	1,627,130	3,170,362	2,549,899
Nebraska	99,744	78,440	840,438	619,745	5,446,596	3,977,366	6,386,779	4,675,552
Nevada	595,860	516,902	27,099	25,592	3,289,524	2,215,190	3,912,483	2,757,684
New Hampshire	28,135	28,022	354,119	186,350	867,874	487,175	1,250,128	701,547
New Jersey	19,889,589	15,182,572	2,938,846	1,700,742	19,780,683	12,929,856	42,609,118	29,813,170
New Mexico	11,044,755	8,338,094	1,646,370	669,513	6,325,483	3,949,186	19,016,608	12,956,793
New York	170,870,195	151,674,959	13,887,120	6,873,301	96,150,986	67,141,727	280,908,301	225,689,986
North Carolina	8,113,049	7,743,791	6,205,614	4,424,462	14,132,711	11,040,906	28,451,374	23,209,159
North Dakota	98,403	86,131	372,936	301,032	1,279,929	982,705	1,751,269	1,369,869
Northern Marianas Is	0	0	328,659	178,052	170,213	123,826	498,872	301,878
Ohio	33,358,994	32,688,813	8,428,265	5,790,953	18,415,033	11,013,481	60,202,291	49,493,247
Oklahoma	11,351,002	10,079,340	4,990,572	3,496,474	12,368,869	7,026,925	28,710,442	20,602,740
Oregon	888,800	798,752	1,572,171	1,092,656	8,399,877	4,844,517	10,860,849	6,735,925
Pennsylvania	22,958,104	20,801,266	6,921,281	4,903,081	24,178,367	17,147,744	54,057,752	42,852,091
Puerto Rico	48,083,879	38,857,327	28,206,579	13,217,119	465,908	176,776	76,756,365	52,251,223
Rhode Island	882,136	698,945	702,500	519,056	3,104,491	2,206,843	4,689,127	3,424,844
South Carolina	32,604,911	29,228,108	1,302,912	338,181	18,140,186	11,223,602	52,048,009	40,789,891
South Dakota	167,067	39,115	398,788	104,576	1,385,506	945,655	1,951,361	1,089,347
Tennessee	18,152,471	5,435,039	14,158,295	12,805,743	14,149,829	9,657,797	46,460,595	27,898,579
Texas	89,127,774	78,397,360	10,125,879	4,508,810	51,998,004	25,008,016	151,251,657	107,914,186
Utah	297,829	288,794	1,440,918	1,091,479	3,313,245	2,688,229	5,051,993	4,068,502
Vermont	3,889	0	556,489	340,384	1,131,813	773,611	1,692,192	1,113,995
Virgin Islands	675,658	646,246	87,524	16,498	71,767	20,562	834,949	683,306
Virginia	766,425	1,181,874	2,783,171	2,031,446	15,262,535	11,942,822	18,812,132	15,156,142
Washington	3,596,893	2,931,069	1,038,807	710,972	13,899,805	10,323,671	18,535,506	13,965,712
West Virginia	1,482,354	939,101	378,976	281,432	3,785,006	2,388,045	5,646,336	3,608,578
Wisconsin	7,129,143	6,515,027	3,219,888	2,351,597	14,637,252	11,723,120	24,986,284	20,589,744
Wyoming	564,894	533,125	133,142	97,228	428,320	324,021	1,126,356	954,374
<b>Totals</b>	<b>\$1,155,170,833</b>	<b>\$1,030,765,506</b>	<b>\$219,412,713</b>	<b>\$134,808,388</b>	<b>\$709,678,142</b>	<b>\$469,118,611</b>	<b>\$2,084,261,688</b>	<b>\$1,634,692,505</b>

Source: Raw data provided by the Universal Service Administrative Company, rollups performed by Industry Analysis and Technology Division, Wireline Competition Bureau, FCC

Activity through May 29, 2003. Because of the appeals process, funding commitments and disbursements have been made after the end of the program year. Also, disbursements may continue beyond the end of the program year in the event of delayed internal connections installation.

**Table 4.1**  
**Schools and Libraries Funding Commitments and Disbursements by State and by Type of Applicant**  
**Funding Year 2002: July 1, 2002 through June 30, 2003**

State/territory	Library/Library Consortium		Schools		School Districts		Other Consortium		Totals	
	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed
Alabama	\$766,844	\$220,024	\$1,564,346	\$840,929	\$20,165,048	\$5,791,241	\$2,147,387	\$0	\$24,643,625	\$6,852,194
Alaska	129,634	55,061	524,472	361,275	11,635,459	5,090,968	1,202,653	713,583	13,492,218	6,220,886
American Samoa	0	0	0	0	0	0	2,417,877	0	2,417,877	0
Arizona	472,514	166,122	5,934,708	969,728	31,528,386	5,675,387	3,043,213	95,970	40,978,822	6,907,207
Arkansas	89,136	37,973	879,242	213,599	5,766,036	2,507,429	13,180,192	1,485,617	19,914,605	4,244,619
California	2,817,923	648,359	15,882,244	2,388,723	217,394,396	23,527,614	7,941,855	4,351,273	244,036,418	30,915,969
Colorado	437,235	126,354	1,208,608	260,731	21,584,329	1,569,519	875,077	543,469	24,105,249	2,500,074
Connecticut	491,717	97,503	1,729,356	1,096,607	5,843,016	2,612,248	1,754,791	866,373	9,818,880	4,672,730
Delaware	52,653	3,859	226,171	53,374	798,875	15,786	595,080	0	1,672,780	73,019
Dist of Columbia	95,357	0	931,000	433,517	40,278,977	0	196,705	0	41,502,039	433,517
Florida	2,977,518	654,859	880,115	279,969	49,464,178	14,135,015	5,839,278	1,047,908	59,161,090	16,117,751
Georgia	5,664,503	3,655,773	2,273,602	1,446,829	35,911,555	8,041,903	13,810,258	625,871	57,659,917	13,770,377
Guam	0	0	7,089	0	2,028,292	254,155	0	0	2,035,381	254,155
Hawaii	184,972	0	1,988,366	134,602	847,077	342,341	0	0	3,020,415	476,943
Idaho	104,693	9,079	952,011	19,036	3,539,039	746,933	42,053	6,390	4,637,795	781,438
Illinois	2,055,729	186,518	7,074,965	1,056,599	95,867,957	14,515,262	549,801	40,162	105,548,453	15,798,541
Indiana	656,044	119,995	743,145	173,099	13,762,560	2,184,027	10,417,123	1,793,489	25,578,872	4,270,610
Iowa	236,655	121,051	959,477	435,440	5,004,191	1,803,919	4,198,921	2,473,322	10,399,244	4,833,731
Kansas	404,749	118,737	1,164,111	558,581	11,334,392	3,715,402	326,701	139,133	13,229,953	4,531,853
Kentucky	1,025,310	235,090	206,118	12,826	12,733,006	2,790,559	2,390,160	0	16,354,594	3,038,475
Louisiana	1,577,797	1,082,041	3,894,044	1,241,497	17,489,191	5,708,644	0	0	22,961,032	8,032,182
Maine	112,847	35,647	1,422,226	386,998	2,321,148	556,009	26,672	1,650	3,882,893	980,304
Maryland	1,057,806	321,142	1,225,234	736,561	13,919,510	3,062,951	2,444,836	0	18,647,387	4,120,655
Massachusetts	8,233,113	56,646	1,907,360	677,671	30,441,084	9,536,764	1,018,872	276,092	41,600,430	10,547,173
Michigan	1,307,254	431,319	6,318,387	605,353	42,960,106	4,534,413	5,111,221	1,749,186	55,696,968	7,320,270
Minnesota	1,139,016	458,224	2,574,562	814,677	14,158,989	2,474,852	6,137,701	3,412,508	24,010,269	7,160,261
Mississippi	1,343,437	488,197	1,294,726	271,956	25,595,871	5,582,788	7,941,396	2,460,281	36,175,430	8,803,223
Missouri	616,615	159,239	4,315,590	1,692,597	45,005,053	3,606,652	15,131,558	208,798	65,068,817	5,667,285
Montana	126,604	47,417	356,728	169,557	3,502,724	1,405,184	45,729	18,465	4,031,785	1,640,623
Nebraska	228,814	73,199	492,524	155,773	3,967,017	1,858,636	3,070,898	1,339,866	7,759,254	3,427,473
Nevada	87,849	26,606	315,870	47,775	5,139,733	502,742	0	0	5,543,452	577,123
New Hampshire	23,578	7,360	474,120	135,673	1,204,686	244,368	9,828	0	1,712,213	387,401
New Jersey	1,737,778	352,651	13,931,718	2,881,700	33,165,714	2,785,873	235,173	29,857	49,070,383	6,050,082
New Mexico	180,472	20,785	1,602,207	822,334	21,219,538	4,788,288	1,927,622	30,093	24,929,838	5,661,501
New York	11,332,574	1,944,717	17,924,249	4,208,758	325,996,137	78,389,460	23,275,183	2,211,721	378,528,143	86,754,656
North Carolina	1,317,666	559,849	2,381,605	1,180,726	42,579,190	16,387,023	937,743	398,931	47,216,204	18,526,529
North Dakota	12,504	3,376	770,241	575,775	1,542,085	491,215	3,257,199	1,796,764	5,582,029	2,867,130
Northern Mariana Is	0	0	7,000	0	1,242,978	204,991	0	0	1,249,977	204,991
Ohio	1,499,293	324,300	3,601,898	1,101,007	50,627,144	9,093,145	6,140,301	797,161	61,868,636	11,315,614
Oklahoma	840,825	427,546	3,523,816	2,184,492	25,225,529	9,073,428	5,100,704	52,502	34,690,875	11,737,968
Oregon	281,154	54,504	642,095	277,462	8,448,217	2,136,379	4,756,225	182,555	14,127,690	2,650,899
Pennsylvania	1,343,734	363,090	6,657,998	1,354,763	75,221,209	11,243,688	2,996,450	783,038	86,219,391	13,744,579
Puerto Rico	0	0	1,109	0	0	0	0	0	1,109	0
Rhode Island	144,443	49,785	300,052	118,207	6,793,649	1,109,818	2,866,585	93,443	10,104,730	1,371,253
South Carolina	221,037	32,520	3,402,496	547,627	56,403,590	6,509,326	8,500,867	1,169,712	68,527,990	8,259,184
South Dakota	102,362	62,670	593,392	235,215	1,871,145	748,393	178,560	50,963	2,745,459	1,097,241
Tennessee	1,148,683	223,073	745,634	136,774	15,608,736	2,318,544	68,380	34,190	17,571,433	2,712,581
Texas	4,226,881	707,633	12,591,087	2,281,536	224,085,588	43,384,648	32,831,435	1,075,994	273,734,991	47,449,811
Utah	235,190	3,749	43,652	9,418	4,625,343	250,247	3,212,933	776,773	8,117,118	1,040,187
Vermont	71,593	23,086	790,786	189,301	673,161	203,605	94,349	16,687	1,629,889	432,679
Virgin Islands	0	0	1,088,559	187,595	0	0	0	0	1,088,559	187,595
Virginia	1,116,255	418,375	3,093,265	539,773	21,471,467	5,567,481	797,479	240,562	26,478,465	6,766,192
Washington	1,076,931	183,102	630,663	289,437	12,595,941	2,586,373	3,836,179	132,786	18,139,715	3,191,697
West Virginia	139,874	37,902	266,685	27,113	6,987,306	1,216,426	878,965	365,909	8,272,829	1,647,351
Wisconsin	1,548,564	349,054	2,048,705	522,427	21,156,738	6,598,980	7,079,395	517,297	31,833,401	7,987,759
Wyoming	51,087	10,483	200,846	36,878	632,512	77,026	2,400,180	0	3,284,625	124,386
<b>Totals</b>	<b>\$63,146,817</b>	<b>\$15,795,643</b>	<b>\$146,560,278</b>	<b>\$37,379,874</b>	<b>\$1,749,364,798</b>	<b>\$339,558,065</b>	<b>\$223,239,740</b>	<b>\$34,406,344</b>	<b>\$2,182,311,633</b>	<b>\$427,139,926</b>

Source: Raw data provided by the Universal Service Administrative Company, rollups performed by Industry Analysis and Technology Division, Wireline Competition Bureau, FCC  
Activity through May 29, 2003

**Table 4.3**  
**Schools and Libraries Fund Cumulative Disbursements by Service Provider Type**  
**Fund Year 2001: July 1, 2001 Through June 30, 2002**

Service Provider Type	Billed to USAC Directly by the Service Provider	Billed to USAC Through Schools and Libraries	Total Payments
Cellular Carriers	\$9,424,225	\$9,165,447	\$18,589,673
Competitive Access Providers	21,142,894	18,138,688	39,281,582
Interexchange Carriers	26,434,499	31,476,192	57,910,691
Internet Service Providers	91,288,917	14,516,621	105,805,539
Local Exchange Carriers	128,625,840	307,652,432	436,278,272
Local Resellers	7,709,350	1,589,119	9,298,469
Non-telecommunications Providers	741,002,664	28,732,561	769,735,224
Operator Service Providers	7,241	900	8,141
Other Local Carriers	12,554,008	1,001,795	13,555,803
Other Mobile Carriers	28,305	0	28,305
Other Toll Carriers	0	5,270	5,270
Paging Carriers	240,360	919,504	1,159,863
Prepaid Calling Card Providers	0	12,561	12,561
Private Line Providers	30,916,908	4,760,401	35,677,309
Satellite Providers	161,022	426,853	587,875
Shared Tenant Providers	44,219	64,836	109,056
Specialized Mobile Radio Providers	209,974	762,576	972,550
Toll Resellers	13,205,466	5,184,395	18,389,860
Wireless Data Carriers	17,039,298	288,522	17,327,821
<b>Total All Types</b>	<b>\$1,100,035,189</b>	<b>\$424,698,674</b>	<b>\$1,524,733,863</b>

Note Funds disbursed through March 31, 2003 Because of the appeals process, funding commitments and disbursements have been made after the end of the program year Also, disbursements may continue beyond the end of the program year in the event of delayed internal connections installation

Source Universal Service Administrative Company, *Federal Universal Service Support Mechanisms Fund Size Projections for the Third Quarter 2003* Appendix SL11

**Table 4.3**  
**Schools and Libraries Fund Cumulative Disbursements by Service Provider Type**  
**Fund Year 2000: July 1, 2000 Through June 30, 2001**

Service Provider Type	Billed to USAC Directly by the Service Provider	Billed to USAC Through Schools and Libraries	Total Payments
Cellular Carriers	\$8,840,269	\$8,586,529	\$17,426,799
Competitive Access Providers	14,793,826	11,158,656	25,952,482
Interexchange Carriers	23,186,391	29,195,981	52,382,373
Internet Service Providers	63,213,930	10,675,949	73,889,880
Local Exchange Carriers	210,154,605	316,185,137	526,339,742
Local Resellers	12,466,024	1,034,872	13,500,896
Non-telecommunications Providers	856,921,660	27,837,655	884,759,315
Operator Service Providers	14,647	77,084	91,732
Other Local Carriers	8,651,337	569,195	9,220,531
Other Mobile Carriers	254,175	0	254,175
Other Toll Carriers	73,444	31,946	105,390
Paging Carriers	824,351	959,270	1,783,621
Payphone Providers	15,903	11,498	27,401
Prepaid Calling Card Providers	0	1,049	1,049
Private Line Providers	8,484,028	4,539,873	13,023,901
Satellite Providers	486,000	398,591	884,591
Shared Tenant Providers	36,129	22,855	58,984
Specialized Mobile Radio Providers	230,416	332,300	562,716
Toll Resellers	4,511,033	2,659,377	7,170,409
Wireless Data Providers	6,173,902	350,723	6,524,626
Not Specified	0	813	813
<b>Total All Types</b>	<b>\$1,219,332,071</b>	<b>\$414,629,353</b>	<b>\$1,633,961,424</b>

Note Funds disbursed through March 31, 2003. Because of the appeals process, funding commitments and disbursements have been made after the end of the program year. Also, disbursements may continue beyond the end of the program year in the event of delayed internal connections installation.

Source: Universal Service Administrative Company, *Federal Universal Service Support Mechanisms Fund Size Projections for the Third Quarter 2003*. Appendix SL08.



**Table 4.4**  
**Schools and Libraries Funding Commitments and Disbursements per Student by State**

**Funding Year 2001: July 1, 2001 through June 30, 2002**

State/territory	Students in Public Schools <sup>1</sup>	Funds Committed	Funds Committed per Student	Funds Disbursed	Funds Disbursed per Student	Unused Funding Commitments	Unused Commitments per Student
Alabama	737,294	\$22,082,549	\$29 95	\$15,815,098	\$21 45	\$6,267,452	\$8 50
Alaska	134,358	11,156,494	83 04	9,419,627	70 11	1,736,867	12 93
American Samoa	15,897	2,124,079	133 62	1,938,161	121 92	185,918	11 70
Arizona	922,180	60,575,838	65 69	40,496,696	43 91	20,079,141	21 77
Arkansas	449,805	21,047,283	46 79	12,144,282	27 00	8,903,002	19 79
California	6,248,610	337,705,448	54 04	192,975,002	30 88	144,730,446	23 16
Colorado	742,145	16,696,696	22 50	11,918,299	16 06	4,778,397	6 44
Connecticut	570,228	17,718,203	31 07	16,228,904	28 46	1,489,300	2 61
Delaware	115,555	1,779,504	15 40	952,011	8 24	827,493	7 16
Dist. of Columbia	75,392	7,367,394	97 72	2,498,210	33 14	4,869,185	64 58
Florida	2,500,478	55,918,727	22 36	44,153,571	17 66	11,765,156	4 71
Georgia	1,470,634	72,483,675	49 29	51,379,904	34 94	21,103,771	14 35
Guam	31,992	2,502,191	78 21	1,908,695	59 66	593,496	18 55
Hawaii	184,546	2,896,839	15 70	1,242,017	6 73	1,654,822	8 97
Idaho	246,521	4,384,562	17 79	2,989,204	12 13	1,395,358	5 66
Illinois	2,071,391	76,566,859	36 96	34,680,090	16 74	41,886,769	20 22
Indiana	996,133	22,281,456	22 37	14,114,612	14 17	8,166,844	8 20
Iowa	485,932	7,806,673	16 07	4,626,713	9 52	3,179,961	6 54
Kansas	470,205	10,936,331	23 26	7,326,399	15 58	3,609,931	7 68
Kentucky	654,363	22,269,263	34 03	15,933,419	24 35	6,335,844	9 68
Louisiana	731,328	28,079,499	38 40	23,698,604	32 40	4,380,895	5 99
Maine	205,586	6,398,142	31 12	4,554,228	22 15	1,843,914	8 97
Maryland	860,640	15,298,291	17 78	10,474,948	12 17	4,823,343	5 60
Massachusetts	973,140	43,643,681	44 85	25,707,869	26 42	17,935,811	18 43
Michigan	1,730,668	75,397,940	43 57	54,999,183	31 78	20,398,757	11 79
Minnesota	851,384	22,522,088	26 45	15,690,558	18 43	6,831,530	8 02
Mississippi	493,507	34,218,363	69 34	25,819,160	52 32	8,399,203	17 02
Missouri	909,792	34,222,893	37 62	21,594,269	23 74	12,628,623	13 88
Montana	151,947	3,738,405	24 60	2,988,109	19 67	750,296	4 94
Nebraska	285,095	6,205,148	21 77	5,100,051	17 89	1,105,097	3 88
Nevada	356,814	3,646,426	10 22	2,728,672	7 65	917,754	2 57
New Hampshire	206,847	1,249,487	6 04	809,836	3 92	439,651	2 13
New Jersey	1,341,656	52,364,249	39 03	35,186,834	26 23	17,177,415	12 80
New Mexico	320,260	57,865,272	180 68	42,807,393	133 66	15,057,878	47 02
New York	2,872,132	362,290,450	126 14	304,557,972	106 04	57,732,478	20 10
North Carolina	1,315,363	25,200,911	19 16	19,679,097	14 96	5,521,814	4 20
North Dakota	106,047	1,747,908	16 48	1,176,721	11 10	571,187	5 39
Northern Mariana Is.	10,479	2,353,346	224 58	2,101,798	200 57	251,548	24 00
Ohio	1,830,985	100,723,962	55 01	59,895,945	32 71	40,828,018	22 30
Oklahoma	622,139	29,611,745	47 60	23,153,850	37 22	6,457,895	10 38
Oregon	551,480	13,670,263	24 79	8,766,073	15 90	4,904,189	8 89
Pennsylvania	1,821,627	72,566,298	39 84	61,203,320	33 60	11,362,979	6 24
Puerto Rico	604,177	12,043,965	19 93	3,733,367	6 18	8,310,599	13 76
Rhode Island	158,046	5,057,544	32 00	4,288,423	27 13	769,121	4 87
South Carolina	691,078	43,712,082	63 25	29,576,246	42 80	14,135,836	20 45
South Dakota	127,542	8,034,923	63 00	5,192,099	40 71	2,842,824	22 29
Tennessee	925,030	44,756,553	48 38	33,259,904	35 96	11,496,649	12 43
Texas	4,163,447	236,843,859	56 89	179,739,140	43 17	57,104,719	13 72
Utah	484,677	5,657,109	11 67	4,578,867	9 45	1,078,243	2 22
Vermont	101,179	1,697,082	16 77	1,121,135	11 08	575,947	5 69
Virgin Islands	18,780	5,378,190	286 38	5,312,072	282 86	66,118	3 52
Virginia	1,163,091	21,418,389	18 42	17,343,541	14 91	4,074,848	3 50
Washington	1,009,200	18,425,130	18 26	13,495,274	13 37	4,929,856	4 88
West Virginia	282,885	8,111,663	28 67	4,877,698	17 24	3,233,965	11 43
Wisconsin	879,361	25,483,910	28 98	16,493,894	18 76	8,990,016	10 22
Wyoming	88,128	1,639,925	18 61	1,182,161	13 41	457,764	5 19
<b>Totals</b>	<b>48,369,196</b>	<b>\$2,207,575,158</b>	<b>\$45 64</b>	<b>\$1,555,629,227</b>	<b>\$32 16</b>	<b>\$651,945,932</b>	<b>\$13 48</b>

Source: Raw funding data provided by the Universal Service Administrative Company, rollups performed by Industry Analysis and Technology Division, Wireline Competition Bureau, FCC

Activity through May 29, 2003. Because of the appeals process, funding commitments and disbursements have been made after the end of the program year. Also, disbursements may continue beyond the end of the program year in the event of delayed internal connections installation.

<sup>1</sup> Students enrolled in fall of 2001. Although private schools are eligible for funding, state-by-state enrollment data were not available. Figures do not include any students in Defense Department or Bureau of Indian Affairs schools. Data from the U.S. Department of Education [http://nces.ed.gov/pubs2003/snf\\_report03/xls/table\\_01.xls](http://nces.ed.gov/pubs2003/snf_report03/xls/table_01.xls)

## 5. Rural Health Care Support

The portion of the 1996 Telecommunications Act that covers universal service support for rural health care providers states that “[a] telecommunications carrier shall . . . provide telecommunications services . . . to any public or non-profit health care provider . . . at rates that are reasonably comparable to rates charged for similar services in urban areas in that state.”<sup>1</sup> The Commission's universal service rules permit eligible health care providers<sup>2</sup> to receive support for any telecommunications service.<sup>3</sup> The length of a supported telecommunications service may not exceed the distance between the rural health care provider and the nearest large city.<sup>4</sup> The Commission defined “nearest large city” as the city located in the eligible health care provider's state with a population of at least 50,000 that is nearest to the health provider's location.<sup>5</sup> In addition, an eligible health care provider that cannot obtain toll-free Internet access is entitled to receive the lesser of \$180 per month in toll charge credits per month, or the toll charges incurred for 30 hours per month, for telecommunications access to an Internet service provider.<sup>6</sup>

In 1999, the FCC adopted two orders that significantly changed the universal service support program for rural health care providers starting in Funding Year 2000 (July 1, 2000 – June 30, 2001). The Fifteenth Order on Reconsideration 1) removed the per-location funding limit; 2) ended the 1.544 Mbs of bandwidth restriction and authorized support for any commercially available telecommunications service regardless of bandwidth; 3) simplified the application process by allowing discounts to be based on actual long distance charges instead of basing them on a comparison of tariffed rates in urban and rural areas; and 4) affirmed the ability of rural health care providers to join consortia and allowed new members to be added to a consortium at any time after the rural health care provider applies for support.<sup>7</sup> The Fourteenth Order on Reconsideration

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1 47 U.S.C. § 254(h)(1)(A).

2 47 C.F.R. § 54.601.

3 A 1.544 Mbps (T1) maximum bandwidth cap was employed in Funding Years 1 and 2. *See Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 8952-94 (1997). The Commission removed the bandwidth cap for year three and beyond. *See Federal-State Joint Board on Universal Service*, CC Docket Nos. 97-21 and 96-45, Sixth Order on Reconsideration in CC Docket No. 97-21, Fifteenth Order on Reconsideration in CC Docket No. 96-45, 14 FCC Rcd 18756 (1999) (*Fifteenth Order on Reconsideration*).

4 47 C.F.R. § 54.601(c).

5 47 C.F.R. § 54.605(c).

6 47 C.F.R. § 54.621.

7 *Fifteenth Order on Reconsideration*, 14 FCC Rcd 18756.

eliminated the requirement that rural health care providers receive services from eligible telecommunications carriers.<sup>8</sup>

USAC recently streamlined the application process for the Rural Health Care mechanism. USAC combined the information from two forms onto one,<sup>9</sup> allowed the new form to be filled out electronically, and, where possible, prefilled the form with that applicant's information.<sup>10</sup> The new process is as follows. To apply for funding, an eligible rural health care provider must first submit FCC Form 465 (description of services requested and certification form) to the Rural Health Care Division (RHCD).<sup>11</sup> If the RHCD determines that the health care provider is eligible, it posts the Form 465 on its website.<sup>12</sup> After 28 days from posting, the rural health care provider may contract with the most cost-effective bidder. The health care provider then fills out FCC Form 466 (funding request and certification form), and submits it to the RHCD. Upon receipt and approval of FCC Form 466, the RHCD sends a Funding Commitment Letter to the rural health care provider that notifies it of the preliminary approval of the request for support, and provides an estimate of the amount of support that can be expected. The rural health care provider must respond by submitting FCC Form 467 (receipt of service confirmation form) to verify that the service has begun. RHCD then sends a Support Schedule to the carrier and the health care provider. The carrier provides support to the rural health care provider, then invoices the RHCD for the support, and upon approval, USAC reimburses the carrier.

By rule, the Commission established a \$400 million per funding year cap for the rural health care mechanism.<sup>13</sup> For more information on the Universal Service Program for Rural Health Care providers, visit the RHCD website.<sup>14</sup>

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8 *Federal-State Board on Universal Service*, CC Docket No. 96-45, Fourteenth Order on Reconsideration, 14 FCC Rcd 20106 (1999).

9 FCC Forms 466 and 468 were combined into the new FCC form 468.

10 See <http://www.rhc.universalservice.org/whatsnew/062003.asp#2>

11 The Rural Health Care Corporation merged into the Universal Service Administrative and became the Rural Health Care Division on January 1, 1999. See *Changes to the Board of Directors of the National Exchange Carrier Association, Inc., Federal-State Joint Board on Universal Service*, CC Docket Nos. 97-21 and 96-45, Third Report and Order in CC Docket No. 97-21 and Fourth Order on Reconsideration in CC Docket No. 97-21 and Eighth Order on Reconsideration in CC Docket No. 96-45, 13 FCC Rcd 25058, 25064-65, para. 12 (1998).

12 The forms may be viewed at  
<<http://www.rhc.universalservice.org/telecomcarriers/searchpostings/default.asp>>.

13 47 C.F.R. § 54.623(a).

For details on the first two funding years, see the previous editions of the *Monitoring Report*.<sup>15</sup> Funding Year 2000 began on July 1, 2000, and ran through June 30, 2001. The filing window for FCC Forms 465 opened on March 30, 2000, and closed on June 13, 2000. Because the requests filed within the filing window totaled an amount that was less than the funding cap set by the Commission, USAC continued to receive and process requests for support for Funding Year 2000 after the window closed. All activity for Funding Year 2000 is complete, except for one appeal that is pending before the FCC.<sup>16</sup> As of April 30, 2003, \$10.754 million had been committed, and \$10.314 million had been disbursed.<sup>17</sup>

Funding Year 2001 began on July 1, 2001, and ran through June 30, 2002. The filing window for FCC Forms 465 opened on March 31, 2001.<sup>18</sup> As of April 30, 2003, \$19.540 million had been committed, and \$16.513 million had been disbursed.<sup>19</sup>

Funding Year 2002 began on July 1, 2002, and ran through June 30, 2003. The filing window for FCC Forms 465 opened on March 31, 2002.<sup>20</sup> As of April 30, 2003, \$15.480 million had been committed, and \$3.110 million had been disbursed.<sup>21</sup>

USAC supplied the Commission with funding commitments and disbursements information as of April 30, 2003.<sup>22</sup> Table 5.1 summarizes funding commitments and authorizations on a state-by-state basis for Funding Years 2000, 2001 and 2002. Table 5.2 shows service speed information

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14 See [www.rhc.universalservice.org](http://www.rhc.universalservice.org).

15 *Universal Service Monitoring Report*, CC Docket No. 98-202, October 2001 and October 2002.

16 Universal Service Administrative Company, *Federal Universal Service Support Mechanisms Fund Size Projections for the Third Quarter 2003*, at 21.

17 See Table 5.1.

18 Universal Service Administrative Company, *Federal Universal Service Support Mechanisms Fund Size Projections for the Third Quarter 2003*, at 21.

19 See Table 5.1.

20 Universal Service Administrative Company, *Federal Universal Service Support Mechanisms Fund Size Projections for the Third Quarter 2003*, at 22.

21 See Table 5.1.

22 Funding authorizations are the step before payment is actually made.

for Funding Years 2000 through 2002. In some instances, the service speed was not clearly identifiable, such as with frame relay service. Where possible, the most likely speed for that service was chosen. For example, Frame Relay theoretically could be provided at voice grade speeds, but the vast majority of it is provided at broadband speeds (200K to 1.49Mb), so Frame Relay was assumed to be broadband at that level.

Table 5.3 shows, for Funding Years 2000 and 2001, on a state-by-state basis, disbursements from the Rural Health Care Support Mechanism, the population of the rural counties, and the disbursements per person in rural counties.

**Table 5.1**  
**Rural Health Care Funding Commitments and Authorizations by State**  
**Funding Year 2000: July 1, 2000 through June 30, 2001**

State	Total Funds Committed	Providers Receiving Commitments	Total Funds Disbursed	Providers Receiving Support
Alabama	\$4,409	3	\$4,409	3
Alaska	6,379,537	128	6,068,466	124
Arizona	343,765	24	343,765	24
Arkansas	108,306	27	103,668	27
California	138,762	13	138,762	13
Colorado	93,711	12	89,107	12
Connecticut	0	0	0	0
Delaware	0	0	0	0
District of Columbia	0	0	0	0
Florida	0	0	0	0
Georgia	0	0	0	0
Hawaii	223,884	14	221,293	14
Idaho	54,898	8	53,932	8
Illinois	74,748	9	74,748	9
Indiana	0	0	0	0
Iowa	141,706	29	140,998	29
Kansas	182,995	57	165,144	56
Kentucky	15,987	8	14,488	6
Louisiana	8,478	1	8,478	1
Maine	367,542	39	362,245	39
Maryland	0	0	0	0
Massachusetts	0	0	0	0
Michigan	0	0	0	0
Minnesota	464,646	58	457,225	58
Mississippi	25,225	7	25,225	7
Missouri	59,494	9	53,058	8
Montana	356,782	45	354,834	44
Nebraska	463,715	20	412,990	20
Nevada	5,230	2	4,685	1
New Hampshire	23,384	6	21,799	6
New Jersey	0	0	0	0
New Mexico	149,371	36	136,710	36
New York	1,241	1	1,241	1
North Carolina	146,453	16	144,929	16
North Dakota	255,452	34	254,739	34
Ohio	4,703	3	4,703	3
Oklahoma	54,863	10	54,863	10
Oregon	55,354	13	53,184	13
Pennsylvania	2,481	5	2,481	5
Rhode Island	0	0	0	0
South Carolina	22,351	2	22,351	2
South Dakota	154,169	26	154,169	26
Tennessee	10,788	4	10,587	3
Texas	99,204	20	96,682	20
Utah	0	0	0	0
Vermont	0	0	0	0
Virgin Islands	88,814	11	88,814	11
Virginia	38,527	4	38,527	4
Washington	79,421	26	77,289	25
West Virginia	6,881	4	6,402	4
Wisconsin	23,062	4	22,901	4
Wyoming	24,100	5	23,948	5
<b>Totals</b>	<b>\$10,754,442</b>	<b>743</b>	<b>\$10,313,838</b>	<b>731</b>

Activity through April 30, 2003.

Source: USAC data. Rollups performed by the Industry Analysis and Technology Division, Wireline Competition Bureau, FCC

**Table 5.1**  
**Rural Health Care Funding Commitments and Authorizations by State**

**Funding year 2001: July 1, 2001 through June 30, 2002**

State	Total Funds Committed	Providers Receiving Support	Total Funds Disbursed	Providers Receiving Support
Alabama	\$9,556	4	\$7,794	3
Alaska	13,038,014	145	10,952,882	130
Arizona	672,747	47	634,381	44
Arkansas	105,966	36	52,094	35
California	235,847	52	193,766	45
Colorado	143,968	13	127,916	11
Connecticut	0	0	0	0
Delaware	0	0	0	0
District of Columbia	0	0	0	0
Florida	180,406	51	1,775	2
Georgia	5,770	2	5,770	2
Hawaii	235,701	15	213,354	14
Idaho	57,494	17	50,620	14
Illinois	105,873	19	100,459	18
Indiana	0	0	0	0
Iowa	105,337	30	95,437	24
Kansas	217,135	51	216,287	51
Kentucky	359,764	169	353,930	166
Louisiana	10,823	1	10,823	1
Maine	19,121	1	18,876	1
Maryland	0	0	0	0
Massachusetts	0	0	0	0
Michigan	519,210	49	418,348	44
Minnesota	559,296	74	526,827	67
Mississippi	34,946	9	34,794	9
Missouri	36,646	12	32,686	9
Montana	466,812	52	440,402	49
Nebraska	454,358	24	451,928	24
Nevada	81,330	19	81,330	19
New Hampshire	251	1	251	1
New Jersey	0	0	0	0
New Mexico	193,661	38	140,616	20
New York	12,662	2	9,345	1
North Carolina	147,732	16	147,551	16
North Dakota	394,718	44	371,441	41
Ohio	11,405	4	11,405	4
Oklahoma	63,918	12	63,918	12
Oregon	65,934	15	65,934	15
Pennsylvania	3,193	6	3,193	6
Rhode Island	0	0	0	0
South Carolina	7,751	2	7,751	2
South Dakota	262,199	37	254,414	35
Tennessee	21,396	7	18,736	6
Texas	48,218	16	6,058	11
Utah	123,816	8	44,402	6
Vermont	0	0	0	0
Virgin Islands	96,872	10	0	0
Virginia	135,861	9	67,679	4
Washington	64,359	26	61,101	25
West Virginia	61,401	8	58,818	8
Wisconsin	72,234	23	61,283	17
Wyoming	96,742	11	96,742	11
<b>Totals</b>	<b>\$19,540,444</b>	<b>1,187</b>	<b>\$16,513,116</b>	<b>1,023</b>

Activity through April 30, 2003

Source: USAC data. Rollups performed by the Industry Analysis and Technology Division, Wireline Competition Bureau, FCC

**Table 5.1**  
**Rural Health Care Funding Commitments and Authorizations by State**  
**Funding year 2002: July 1, 2002 through June 30, 2003**

State	Total Funds Committed	Providers Receiving Support	Total Funds Disbursed	Providers Receiving Support
Alabama	\$18,513	2	\$0	0
Alaska	11,021,264	98	2,443,247	28
Arizona	536,306	31	25,426	6
Arkansas	67,246	28	18,170	17
California	165,060	21	2,696	1
Colorado	12,973	2	0	0
Connecticut	0	0	0	0
Delaware	0	0	0	0
District of Columbia	0	0	0	0
Florida	240,050	49	0	0
Georgia	43,465	3	0	0
Hawaii	193,810	16	0	0
Idaho	34,291	4	0	0
Illinois	62,207	17	3,040	2
Indiana	7,854	6	0	0
Iowa	85,022	19	57,913	18
Kansas	147,834	27	1,758	4
Kentucky	170,006	84	14,690	10
Louisiana	0	0	0	0
Maine	41,856	1	0	0
Maryland	0	0	0	0
Massachusetts	0	0	0	0
Michigan	224,099	15	0	0
Minnesota	340,787	38	34,145	10
Mississippi	53,605	11	32,184	7
Missouri	29,738	8	0	0
Montana	302,061	34	117,452	17
Nebraska	395,908	10	11,880	1
Nevada	23,993	9	7,711	6
New Hampshire	0	0	0	0
New Jersey	0	0	0	0
New Mexico	22,000	2	0	0
New York	15,631	1	0	0
North Carolina	106,665	10	36,701	5
North Dakota	348,822	38	156,909	25
Ohio	19,473	4	3,760	2
Oklahoma	29,920	6	12,048	3
Oregon	29,206	6	0	0
Pennsylvania	0	0	0	0
Rhode Island	0	0	0	0
South Carolina	20,974	2	12,248	1
South Dakota	147,315	16	63,550	10
Tennessee	32,533	12	2,772	1
Texas	8,595	3	0	0
Utah	248,503	10	3,735	1
Vermont	0	0	0	0
Virgin Islands	0	0	0	0
Virginia	0	0	0	0
Washington	33,807	8	0	0
West Virginia	13,423	3	1,809	1
Wisconsin	112,013	17	27,261	7
Wyoming	73,233	6	18,447	1
<b>Totals</b>	<b>\$15,480,062</b>	<b>677</b>	<b>\$3,109,552</b>	<b>184</b>

Activity through April 30, 2003.

Source: USAC data Rollups performed by the Industry Analysis and Technology Division, Wireline Competition Bureau, FCC



**Table 5.3**  
**Disbursements per Person for Rural Health Care Support Mechanism, by State**  
**Values in Thousands, Except Disbursements per Person in Rural Counties**

**Funding Year 2001: July 1, 2001 Through June 30, 2002**

State or Jurisdiction	USAC Disbursements on Behalf of Rural Health Care Providers	Population in Rural Counties <sup>1</sup>	Disbursements Per Person in Rural Counties
Alabama	\$8	2,044	\$0 004
Alaska	10,953	375	29 223
American Samoa	0	57	0 000
Arizona	634	5,131	0 124
Arkansas	52	1,435	0 036
California	194	24,596	0 008
Colorado	128	2,265	0 056
Connecticut	0	1,699	0 000
Delaware	0	157	0 000
District of Columbia	0	0	NA
Florida	2	5,705	0 000
Georgia	0	2,520	0 000
Guam	6	155	0 037
Hawaii	213	335	0 636
Idaho	51	862	0 059
Illinois	100	1,878	0 054
Indiana	0	1,691	0 000
Iowa	95	1,615	0 059
Kansas	216	1,227	0 176
Kentucky	354	2,069	0 171
Louisiana	11	1,220	0 009
Maine	19	1,275	0 015
Maryland	0	389	0 000
Massachusetts	0	2,502	0 000
Michigan	418	1,769	0 236
Minnesota	527	1,821	0 289
Mississippi	35	1,894	0 018
Missouri	33	1,800	0 018
Montana	440	1,034	0 426
Nebraska	452	811	0 557
Nevada	81	2,007	0 041
New Hampshire	0	1,240	0 000
New Jersey	0	0	NA
New Mexico	141	1,244	0 113
New York	9	1,679	0 006
North Carolina	148	2,612	0 056
North Dakota	371	519	0 716
Northern Mariana Islands	0	69	0 000
Ohio	11	2,139	0 005
Oklahoma	64	1,397	0 046
Oregon	66	1,762	0 037
Pennsylvania	3	2,010	0 002
Puerto Rico	0	3,859	0 000
Rhode Island	0	174	0 000
South Carolina	8	1,205	0 006
South Dakota	254	582	0 437
Tennessee	19	1,827	0 010
Texas	6	8,765	0 001
Utah	44	531	0 084
Vermont	0	609	0 000
Virgin Islands	0	109	0 000
Virginia	68	1,533	0 044
Washington	61	4,337	0 014
West Virginia	59	1,043	0 056
Wisconsin	61	1,892	0 032
Wyoming	97	427	0 226
<b>Totals</b>	<b>\$16,513</b>	<b>113,901</b>	<b>\$0 145</b>

Note Disbursements through April 30, 2003. Because of the appeals process, funding commitments and disbursements may be made after the program year ended.

<sup>1</sup> Population in rural counties provided by USAC. Some commitments were allowed in non-rural counties in areas affected by the Goldsmith Modification. See 47 C.F.R. § 54.5.

Source: USAC data. Rollups performed by the Industry Analysis and Technology Division, Wireline Competition Bureau, FCC.

**Table 5.2**  
**Service Speeds Acquired by Rural Health Care Providers**  
**Funding Year 2001: July 1, 2001 Through June 30, 2002**

State	Voice Grade	Broadband		Other Service or Speed Unknown	Total
	56K to 199K	200K to 1.49Mb	1.5Mb and faster		
Alabama	\$0	\$0	\$7,794	\$0	\$7,794
Alaska	5,328	5,199,341	5,056,226	691,987	10,952,882
Arizona	0	197,144	437,237	0	634,381
Arkansas	0	21,164	30,930	0	52,094
California	117,703	64,579	11,483	0	193,766
Colorado	0	907	127,009	0	127,916
Connecticut	0	0	0	0	0
Delaware	0	0	0	0	0
District of Columbia	0	0	0	0	0
Florida	0	1,775	0	0	1,775
Georgia	0	0	5,770	0	5,770
Hawaii	0	0	213,354	0	213,354
Idaho	0	43,303	7,317	0	50,620
Illinois	0	0	100,459	0	100,459
Indiana	0	0	0	0	0
Iowa	1,739	3,752	89,946	0	95,437
Kansas	33,181	90,574	92,531	0	216,287
Kentucky	0	173,217	180,714	0	353,930
Louisiana	0	0	10,823	0	10,823
Maine	18,876	0	0	0	18,876
Maryland	0	0	0	0	0
Massachusetts	0	0	0	0	0
Michigan	16,604	22,464	379,280	0	418,348
Minnesota	3,250	214,986	308,591	0	526,827
Mississippi	16,839	0	17,954	0	34,794
Missouri	0	6,526	26,161	0	32,686
Montana	1,879	15,336	423,187	0	440,402
Nebraska	15,295	69,315	367,318	0	451,928
Nevada	0	56,366	24,965	0	81,330
New Hampshire	0	251	0	0	251
New Jersey	0	0	0	0	0
New Mexico	0	119,119	21,496	0	140,616
New York	0	0	9,345	0	9,345
North Carolina	1,864	3,310	142,376	0	147,551
North Dakota	17,018	49,306	305,117	0	371,441
Ohio	143	3,692	7,570	0	11,405
Oklahoma	204	0	63,714	0	63,918
Oregon	2,690	24,612	38,632	0	65,934
Pennsylvania	1,982	1,211	0	0	3,193
Rhode Island	0	0	0	0	0
South Carolina	4,621	0	3,130	0	7,751
South Dakota	2,598	91,292	160,524	0	254,414
Tennessee	2,174	7,938	8,624	0	18,736
Texas	0	0	6,058	0	6,058
Utah	0	5,818	38,583	0	44,402
Vermont	0	56,424	11,255	0	67,679
Virgin Islands	0	0	0	0	0
Virginia	0	0	0	0	0
Washington	0	17,661	43,440	0	61,101
West Virginia	0	34,782	24,036	0	58,818
Wisconsin	0	36,493	24,790	0	61,283
Wyoming	4,127	29,810	62,805	0	96,742
Totals	\$268,116	\$6,662,469	\$8,890,544	\$691,987	\$16,513,116

Activity through April 30, 2003

Source USAC data Rollups performed by the Industry Analysis and Technology Division, Wireline Competition Bureau, FCC

**Table 5.3**  
**Disbursements per Person for Rural Health Care Support Mechanism, by State**  
**Values in Thousands, Except Disbursements per Person in Rural Counties**

**Funding Year 2000: July 1, 2000 Through June 30, 2001**

State or Jurisdiction	USAC Disbursements on Behalf of Rural Health Care Providers	Population in Rural Counties <sup>1</sup>	Disbursements Per Person in Rural Counties
Alabama	\$4	2,044	\$0 002
Alaska	6,068	375	16 191
American Samoa	0	57	0 000
Arizona	344	5,131	0 067
Arkansas	104	1,435	0 072
California	139	24,596	0 006
Colorado	89	2,265	0 039
Connecticut	0	1,699	0 000
Delaware	0	157	0 000
Distict of Columbia	0	0	NA
Florida	0	5,705	0 000
Georgia	0	2,520	0 000
Guam	0	155	0 000
Hawaii	221	335	0 660
Idaho	54	862	0 063
Illinois	75	1,878	0 040
Indiana	0	1,691	0 000
Iowa	141	1,615	0 087
Kansas	165	1,227	0 135
Kentucky	14	2,069	0 007
Louisiana	8	1,220	0 007
Maine	0	1,275	0 000
Maryland	0	389	0 000
Massachusetts	0	2,502	0 000
Michigan	362	1,769	0 205
Minnesota	457	1,821	0 251
Mississippi	25	1,894	0 013
Missouri	53	1,800	0 029
Montana	355	1,034	0 343
Nebraska	413	811	0 509
Nevada	5	2,007	0 002
New Hampshire	22	1,240	0 018
New Jersey	0	0	NA
New Mexico	137	1,244	0 110
New York	1	1,679	0 001
North Carolina	145	2,612	0 055
North Dakota	255	519	0 491
Northern Mariana Islands	0	69	0 000
Ohio	5	2,139	0 002
Oklahoma	55	1,397	0 039
Oregon	53	1,762	0 030
Pennsylvania	2	2,010	0 001
Puerto Rico	0	3,859	0 000
Rhode Island	0	174	0 000
South Carolina	22	1,205	0 019
South Dakota	154	582	0 265
Tennessee	11	1,827	0 006
Texas	97	8,765	0 011
Utah	0	531	0 000
Vermont	0	609	0 000
Virgin Islands	89	109	0 818
Virginia	39	1,533	0 025
Washington	77	4,337	0 018
West Virginia	6	1,043	0 006
Wisconsin	23	1,892	0 012
Wyoming	24	427	0 056
<b>Totals</b>	<b>\$10,314</b>	<b>113,901</b>	<b>\$0 091</b>

Note Disbursements through April 30, 2003. Because of the appeals process, funding commitments and disbursements may be made after the program year ended.

<sup>1</sup> Population in rural counties provided by USAC. Some commitments were allowed in non-rural counties in areas affected by the Goldsmith Modification. See 47 C.F.R. § 54.5.

Source: USAC data. Rollups performed by the Industry Analysis and Technology Division, Wireline Competition Bureau, FCC.